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PART III—Section—1

BANGALORE, WEDNESDAY, SEPTEMBER 3, 1975
(BHADRAPADA 12, SAKA ERA 1897)

2945

FINANCE DEPARTMENT

Notification No. FD 3 RLG 75, dated Bangalore, the 3rd September, 1975

6 Per Cent Karnataka State Development Loan, 1985 issued at Rs. 99·00 per cent and redeemable at par on the 1st September 1985.

1. *Object.*—The proceeds of the loan will be utilised for financing the schemes included in the Annual Plan 1975-76.

2. *Security for loan.*—In accordance with Article 293 (1) of the Constitution of India, the loan will be secured on the Consolidated Fund of the State of Karnataka.

The consent of the Central Government has been obtained to the floatation of this loan as required by Article 293 (3) of the Constitution of India.

3. *Description.*—The loan will be briefly described as the 6 Per Cent Karnataka State Development Loan, 1985.

4. *Amount of issue.*—The amount of the loan will be Rs. 16·25 crores.

5. *Issue price.*—The issue price will be Rs. 99.00 for every Rs. 100 of the loan applied for.

6. *Subscriptions.*—Subscriptions will be received from 15th September 1975 to 19th September 1975, both days inclusive. Subscriptions may be in the form of cash/cheque. The loan will be closed without notice as soon as it appears that the total subscriptions amount approximately to Rs. 16·25 crores, and in any case not later than the close of business on 19th September 1975. The Government reserve the right to retain subscriptions received upto 10 per cent in excess of the sum of Rs. 16·25 crores.

7. *Partial Allotment.*—If the total subscriptions exceed the sum of Rs. 17·875 crores, partial allotment will be made to the subscribers. If partial allotment is made, a proportionate refund will be made as soon as possible after allotment. No interest will be paid on the amounts so refunded.

8. *Date of Repayment.*—The loan will be repaid at par on the 1st September 1985.

9. *Interest.*—The loan will bear interest at the rate of 6 per cent per annum from 15th September 1975. Interest for the period 15th September 1975 to 29th February 1976 inclusive, will be paid on the 1st March 1976 and thereafter payment of interest will be made half-yearly on the 1st September and 1st March and will be subject to tax under the Income-tax Act, 1961.

Refunds of tax deducted, if any, at the time of payment (at rates prescribed by the annual Finance Acts) will be obtainable by holders of the loan, who are not liable to tax or who are liable to tax at a rate lower than the rate at which tax was deducted. A holder who is not liable to tax or who is liable to tax at a rate lower than the prescribed rate can obtain, on application, a certificate from the Income-tax Officer of the district authorising payment of interest to him without deduction of tax or with deduction of tax at such lower rate as may be applicable to the holder.

Interest on Government securities along with income in the form of interest or dividends on other approved investments will be exempt from income-tax subject to a limit of Rs. 3,000 per annum and subject to the other provisions of Section 80L of the Income-tax Act, 1961.

10. The value of investments in the Loan now issued together with the value of other previous investments in Government securities and the other investments specified in Section 5 of the Wealth Tax Act, 1957 will also be exempt from the Wealth Tax upto Rs. 1,50,000.

11. *Place of payment of interest.*—Interest will be paid at any treasury or sub-treasury in the State of Karnataka and at the Reserve Bank of India, Public Debt Offices at Ahmedabad, Bangalore, Bombay, Calcutta, Hyderabad, Jaipur, Kanpur, Madras, Nagpur, New Delhi and Patna.

12. *Form of securities.*—The loan will be issued in the form of :—

(1) Stock, the applicants for which will be given Stock Certificates; or

(2) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes which are transferable by endorsement.

13. *Applications for loan.*—(1) Applications for the loan must be for Rs. 100 or multiples thereof.

(2) Applications will be received at :—

(*a*) the offices of the Reserve Bank of India, Ahmedabad, Bangalore, Bombay (Fort and Byculla), Calcutta, Hyderabad, Kanpur, Madras, Nagpur, New Delhi and Patna ;

(*b*) the branch of the State Bank of Bikaner and Jaipur at Jaipur ;

(*c*) the branches of the State Bank of Mysore and the State Bank of Hyderabad conducting Government Treasury work within the State of Karnataka ; and

(*d*) the branches of the State Bank of India within the State of Karnataka except at Bangalore and places covered by item (*c*).

(3) Applications may be made in the form attached hereto [printed copies of which are available at the places mentioned in sub-paragraph (2) above] or in any other form which states clearly the amount and description of the securities required, the full name and address of the applicant and the Public Debt Office or Treasury or Sub-Treasury at which he desires that interest shall be paid.

14. *Method of paying subscriptions.*—Applications should be accompanied by the necessary payment in cash or by cheque. Cheques tendered at offices of the Reserve Bank of India, the State Bank of Bikaner and Jaipur, State Bank of India, the State Bank of Mysore and the State Bank of Hyderabad should be drawn in favour of the Bank concerned. When a cheque is tendered in payment of the application money, the security will not be issued until the amount of the cheque has been realised.

15. *Brokerage.*—Brokerage will be paid at the rate of 6 Paise per Rs. 100 (Nominal) to recognised banks and brokers on allotments made in respect of applications for the loan tendered by them and bearing their stamp.

The claim for payment of brokerage should be preferred at the paying office within six months from the date of floatation of the loan.

16. *Public Debt Office.*—The State Public Debt Office will be located at the Reserve Bank of India, Bangalore.

By Order and in the name of the Governor of Karnataka,

T. R. SATISH CHANDRAN,

Financial Commissioner and
Secretary to the Government of Karnataka,
Finance Department.

Printed by the Director of Printing, Stationery & Publications at the Govt. Press, Bangalore.

FORM OF APPLICATION

6 Per Cent Karnataka State Development Loan, 1985

I/We.....

[Full name(s) in Block capital letters]

.....herewith tender

*Cash/*Cheque .....

and request that securities of the 6 per cent Karnataka State Development Loan, 1985 of the nominal value of Rs.† .....

.....may be issued to me/us in the form of Promissory Note(s)‡ / Stock Certificate of the denominations stated below.

.....Promissory Notes of Rs.....each

.....Promissory Notes of Rs.....each

.....Promissory Notes of Rs.....each

2. I/We desire that interest be paid at.....

N.B.—The applicant should not write anything in this cage. The entries will be filled in by the Public Debt Office.	Initials	Date
Application No.....		
N.B. Stamp.....		
Cash Received.....		
Cheque Realised.....		
Credited to Special Current Account		
Examined.....		
Cash Application Register posted.....		
Brokerage Register posted...		
Indent No.....		
Scrip No.....		
Card No.....		
Voucher passed on.....		

Signature.....

Name (in full).....

.....

Profession :—Service/Trading/Agriculturist / Business / Money lender/Independent Profession/others.....

.....

.....

(Please specify)

(Delete items not applicable)

Address .....

.....

.....

Dated.....September 1975.

Note.—(1) Separate application should be made for each form of scrip (Stock Certificate or Promissory Note) of the new Loan required.

(2) If the applicant's signature is by thumb mark, it should be witnessed by two persons. The full names, occupations and addresses of the witnesses should be appended to their signatures.

(3) If the application is made in the name of a registered body, the undernoted documents, if not already registered at the Public Debt Office, should be enclosed with the investment application :—

(*i*) Certificate of Registration/Incorporation.

(*ii*) Memorandum and Articles of Association or a certified copy of the Rules and Regulations/Bye-laws of the body/company.

(*iii*) Certified copy of resolution in favour of the person authorised to deal in Government securities on behalf of the body/company.

(4) Applicants desiring the issue of scrips in the form of Stock Certificates should also complete a Mandate Form (obtainable from Public Debt Office) for transmission of half-yearly interest to them.

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* Delete what is not required.

† Figures and words to be written here.

‡ Promissory Notes will be issued in denominations of Rs. 100, Rs. 500, Rs. 1,000 Rs. 5,000, Rs. 10,000, Rs. 25,000, Rs. 50,000 and Rs. 1,00,000. State here the particular denominations required.

STATE LOANS

Special Option Form

With reference to my/our tender in Cash/Cheque for the purchase of Rs.....(Nominal) of the.....%.....I/We do hereby authorise the Reserve Bank of India, in the event of the aforementioned loan being over-subscribed and partial allotment made to me/us in respect thereof, to utilise, at the absolute discretion of the Reserve Bank, to the extent of my/our application money which would otherwise be refundable in cash to me/us in terms of the relative Loan Notification, for the purchase out of the following State Loans (as far as possible in the order of preference in which they appear below) in my/our name/s provided these are still open for subscription after the closure of the .....%..... I/We do hereby agree, in such circumstances, to abide by the terms and conditions of the State loan(s) so allotted, as laid down in the respective loan notification(s).

Signature.....

Name (in full) .....

Address .....

.....

Dated.....

Loans to which subscription may be transferred (in order of preference).

(1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

(9)

GOVERNMENT OF KARNATAKA

FINANCE DEPARTMENT

Press Communique, dated the 3rd September, 1975.

6 Per Cent Karnataka State Development Loan, 1985.

Subscriptions in the form of Cash or Cheque will be received from the 15th September 1975 to 19th September 1975 both days inclusive at the branches of the State Bank of Mysore, State Bank of Hyderabad and State Bank of India within the State of Karnataka except at Bangalore as specified in the Government Notification and at the offices of Reserve Bank of India, Ahmedabad, Bangalore, Madras, Hyderabad, Bombay (Fort and Byculla), Calcutta, Kanpur, New Delhi, Nagpur and Patna and the branch of the State Bank of Bikaner and Jaipur at Jaipur for 6 Per Cent Karnataka State Development Loan, 1985. Full details of the terms of the loan are contained in the Finance Department's Notification No. FD 3 RLG 75, dated the 3rd September, 1975 published in the Extraordinary issue of the *Karnataka Gazette* of that date. The Loan proceeds will be utilised for financing the Development Schemes included in the Annual Plan 1975–76, which are either fully productive, or if not technically fully productive, produce a return which taken along with the indirect benefits from the Schemes in each case, the Government consider sufficient to justify the execution of the Schemes.

2. For the year 1975-76, Capital expenditure to the extent of Rs. 65·78 crores has been envisaged, the amount being partly met by Central Loan assistance and partly from State's resources.

3. *Debt Position.*—The Debt Position of the State of Karnataka as on 31st March 1975 was as under :—

		(In crores of Rs.)
Public Loans	...	113·56
Loans from Government of India	...	464·54
Other loans	...	32·88
		610·98

The allocation of Public Debt in respect of integrated areas from ex-States of Bombay, Hyderabad and Madras, has not been finalised as per terms of States Reorganisation Act, 1956 though on a provisional basis, the allocation has been made on population ratio.

4. According to the Revised Estimates of 1974-75, the excess of Assets over Liabilities stood at about Rs. 262·09 crores including assets transferred to Karnataka Electricity Board, as under :—

Assets		(In crores of Rupees)	*Liabilities*		(In crores of Rupees)
Capital	...	711·43	Loans from Public	...	113·56
Advances not bearing interest	...	3·70	Loans from Government of India and Floating Debt	...	469·83
Loans and Advances by State Government	...	338·64	Other Loans	...	32·89
Remittances	...	4·27	Contingency Fund	...	6·61
Investments and Cash	...	10·24	Small Savings, Provident Fund etc.		44·53
			Deposits and Advances etc.	...	138·77
			Excess of Assets over Liabilities		262·09
		1068·28			1068·28

The Sinking Fund accumulations would amount to about Rs. 52·69 crores on 31st March 1975. The financial position of the State is sound.

5. Provision is made for interest and redemption charges in the estimates for 1975-76 as under :—

Government of India Loans :

			(In crores of Rupees)
Interest Charges	...	...	21·67
Repayment	...	...	37·00
			58·67

Open Market Loans :

Interest Charges	...	...	7·67
Repayment	...	...	...
Sinking Fund Contribution	...	...	10·79
			18·46

T. R. SATISH CHANDRAN,
Financial Commissioner and
Secretary to Government of Karnataka,
Finance Department.

Printed by the Director of Printing, Stationery and Publications at the Govt. Press, Bangalore.